

## CHATHAM COUNTY

THIS LEASE (this "Leases"), is dated and made effective this 1st day of February 2016 by and between Asarum Ventures, LLC ("Landlord") whose mailing address is Post Office Box 357, Pittsboro, North Carolina 27312 and Chatham County ("Tenant") whose mailing address is Post Office Box 111, Pittsboro, North Carolina 27312;

W I T N E S S E T H:**LEASE OF PREMISES**

1. Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for, and covenanted to be paid, kept, and performed by Tenant, leases and rents unto Tenant, and Tenant, for and in consideration of covenants, agreements, and stipulations hereinafter mentioned, provided for, and covenanted to be kept and performed by Landlord, hereby leases from Landlord and takes upon the terms and conditions which hereinafter appear, the following described office space (hereinafter called the "Premises"):

Suite D and Suite E-1 in the Platinum Commons Building (the "Building") located at 984 Thompson Street, Pittsboro, North Carolina 27312

Tenant shall have convenient ingress and egress to the Premises from all public streets and rights-of-way adjoining the property on which the Premises is located and the use of all common areas and facilities within the building in which the Premises is located (the "Building"), and the use of the driveways and parking lot adjacent to the Building. In addition, Tenant shall have the exclusive use of five (5) parking spaces, one of which shall be a handicap space, and all of which shall in close proximity to the entrance to the Premise.

**TERM**

2. The Tenant shall have and hold the Premises for a term of Four (4) Years beginning on the 1st day of February, 2016 (the "Commencement Date"), and ending on the 31st day of January, 2020, at midnight, unless sooner terminated as hereinafter provided. Landlord hereby grants Tenant the right and option to extend this Lease for an additional term of one (1) year on the terms and provisions provided herein. Tenant shall exercise its option by providing Landlord written notice of the exercise of its option to extend the term not less than thirty (30) days prior to the end of the term.

**RENTAL**

3. Tenant agrees to pay Landlord an annual rental of \$44,880 payable in equal monthly installments of \$3,740 in advance on the first day of each calendar month during the term hereof at the address provided above.

If Tenant exercises its option to extend the term, beginning with the first day of the first calendar month of each extension term, the annual rent shall be increased by the percentage increase in the cost of living during the twelve (12) months period ending November 30, 2019 as determined by reference to the Consumer Price Index for all Urban Consumers (1982-84=100), as published by the Bureau of Labor

Statistics of the Department of Labor, and as most recently available for the date for which the cost of living determination is being made. If such index is discontinued or unavailable, the parties shall substitute a comparable, generally accepted cost of living index.

### **LATE CHARGES**

4. If Landlord fails to receive any rent payment within fifteen (15) days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to four percent (4%) of the overdue amount or \$50.00 whichever is greater, plus any actual bank fees incurred for returned or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

### **UTILITY BILLS**

- 5. (a) Landlord shall provide and pay for the following utilities: Water, Sewer
- (b) Tenant shall provide and pay for all utilities required by Tenant and not provided by Landlord.

Responsibility to pay for a utility service shall include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said party's name. Landlord warrants that all utilities, including, without limitation, water, sewer, electricity, telephone, cable, internet, and other communication are available at the Premises upon the payment metering, hook-up, or other customary charges paid by utility customers.

### **USE OF PREMISES**

6. The Premises shall be used by Tenant as office space to house the Chatham County Board of Elections, or any other lawful purpose or purposes.

### **INDEMNITY; INSURANCE**

7. To the extent permitted by law, Tenant agrees to and hereby does indemnify and save Landlord harmless against all claims for damages to persons or property by reason of Tenant's use or occupancy of the Premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, Tenant shall during the term of this Lease and any extension or renewal thereof, and at Tenant's expense, maintain in full force and effect comprehensive general liability insurance with limits of \$500,000.00 per person and \$1,000,000.00 per occurrence, which insurance shall contain a special endorsement recognizing and insuring any liability accruing to Tenant under the first sentence of this paragraph and naming Landlord as additional insured. Tenant shall provide evidence of such insurance to Landlord prior to the commencement of the term of this Lease.

### **REPAIRS AND MAINTENANCE BY LANDLORD**

8. Landlord agrees to keep in good repair the roof, foundation, and exterior walls of the Premises (including all windows and exterior doors), the heating and air conditioning system serving the Building, and all underground utility and sewer pipes which serve the Building. Landlord shall not be required to

make any repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees or invitees. Landlord shall also maintain the grounds around the Building, including the parking lot and all paved surfaces, the mowing of grass, care of shrubs, and general landscaping. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to maintain or repair. Landlord, to the extent permitted by law, shall indemnify and hold Tenant harmless from any liability, claim, demand, or cause of action arising on account of Landlord's breach of this paragraph.

## **REPAIRS BY TENANT**

9. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain the interior of the Premises, except for the systems, utilities, pipes, and other items required to be maintained by Landlord. Tenant shall not be required to make any repairs rendered necessary by the negligence or intentional wrongful acts of Landlord, Landlord's agents, employees, or other tenants. Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as when first received, reasonable wear, tear, and damage excepted. Tenant, Tenant's employees, agents, contractors or subcontractors shall take no action which may void any manufacturers or installers warranty (provided copies of such warranties have been provided to Tenant) with relation to the Premises. Tenant, to the extent permitted by law, shall indemnify and hold Landlord harmless from any liability, claim, demand, or cause of action arising on account of Tenant's breach of the provisions of this paragraph.

## **ALTERATIONS**

10. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a licensed contractor, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements made without Landlord's consent at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements not removed by Tenant shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease. Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

## **REMOVAL OF FIXTURES**

11. Tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.

## **DESTRUCTION OF OR DAMAGE TO PREMISES**

12. If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between

Landlord and Tenant as of that date. If the premises are not totally destroyed by such casualty, but in the reasonable judgment of Tenant are damaged to such an extent as not to be suitable for Tenant's effective use, then Tenant may at its option elect to terminate this Lease upon thirty (30) days notice to Landlord. Should Tenant elect not to terminate this Lease, then the rental shall abate in such proportion as effective use of the Premises has been affected, and Landlord shall restore Premises to substantially the same condition as before damage as speedily as is practicable, and upon completion of such restoration, full rental shall recommence. Landlord shall maintain insurance coverage in an amount sufficient to restore the Premises as provided in this Paragraph.

## **GOVERNMENTAL ORDERS**

13. Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Premises. Landlord agrees, at Landlord's own expense, to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then Landlord or Tenant, whichever is obligated to comply with such requirements, may terminate this Lease by giving written notice of termination to the other party, which termination shall become effective sixty (60) days after receipt of such notice, and which notice shall eliminate the necessity of compliance with such requirements by the party giving the notice unless the other party shall, before the termination becomes effective, pay to the party giving notice all cost of compliance in excess of one year's rent, or secure payment of said sum in a manner satisfactory to the party giving notice, in which event this Lease shall continue and the party obligated to comply with such requirements shall bring the Premises into compliance as soon as reasonably possible.

## **CONDEMNATION**

14. If the whole of the Premises, or such portion thereof in the reasonable judgment of Tenant as will make the Premises unusable for the purposes herein leased, is condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that neither party shall have any rights in any award made to the other party by any condemnation authority.

## **EVENTS OF DEFAULT BY TENANT**

15. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under

any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

## **REMEDIES UPON DEFAULT BY TENANT**

16. Upon the occurrence of Event of Default, and provided Landlord is not in default under this Lease, Landlord may pursue any one or more of the following remedies separately or concurrently without prejudice to any other remedy herein provided or provided by law: (a) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default within five (5) business days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and Tenant fails to cure such default within fifteen (15) business days after receipt of written notice of default from Landlord, Landlord may terminate this Lease by giving written notice to Tenant, and upon such termination shall be entitled to recover from Tenant such damages as may be permitted under applicable law; or (b) upon any Event of Default, Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting; provided, however, that Landlord shall take all reasonable actions to mitigate damages by reason of Tenant's default.

## **DEFAULT BY LANDLORD**

17. The failure of Landlord to comply with or abide by and perform any obligation imposed upon Landlord under this Lease or applicable law shall constitute an Event of Default by Landlord and upon such Event of Default, Tenant, provided Tenant is not in default under this Lease, may excuse any and all remedies at law or in equity that it may have against Landlord as a result of such default, and in addition, shall have the right to recover such damages as Tenant may have suffered.

## **EXTERIOR SIGNS**

18. Tenant shall place no signs upon the outside walls or roof of the Premises that were not there on December 1, 2015, unless Tenant receives the express written consent of the Landlord, which consent shall not be unreasonably conditioned, delayed, or withheld. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by the installation, use or maintenance of said signs, and all damage incidents to removal thereof.

## **QUIET ENJOYMENT**

19. So long as Tenant observes and performs the covenants and agreements contained herein, Tenant shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises. Provided, however, that in the event Landlord shall sell or otherwise transfer its interest in the Premises, Tenant agrees to attorn to any new owner or interest holder provided that the new owner or interest holder agrees in writing to accept each and every duty, obligation, and undertaking of Landlord hereunder

and agrees to be bound by the terms of this Lease.

## **WAIVER OF RIGHTS**

20. No failure of Landlord or Tenant to exercise any power given to such party hereunder or to insist upon strict compliance by the other party of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord or Tenant's right to demand exact compliance with the terms hereof.

## **ENVIRONMENTAL LAWS**

21. (a) Tenant shall not bring onto the Premises any Hazardous Materials (as defined below) without the prior written approval by Landlord. Any approval must be preceded by submission to Landlord of appropriate Safety Data Sheets (SDS Sheets). In the event of approval by Landlord, Tenant covenants that it will (1) comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, rules and regulations, and laws, whether now in force or hereafter adopted relating to Tenant's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any Hazardous Material. Hazardous Material means and includes any hazardous, flammable, toxic, or dangerous materials, waste or substance, the presence of which is regulated by a federal, state, or local law, ruling, rule or regulation (hereafter collectively referred to as "Hazardous Materials"); (2) comply with any reasonable recommendations by the insurance carrier of either Landlord or Tenant relating to the use by Tenant on the Premises of such Hazardous Materials; (3) refrain from unlawfully disposing of or allowing the disposal of any Hazardous Materials upon, within, about or under the Premises; and (4) remove all Hazardous Materials from the Premises, either after their use by Tenant or upon the expiration or earlier termination of this lease, in compliance with all applicable laws.

## **NOTICES**

22. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid, to Landlord or Tenant at their respective addresses as shown at the beginning of this Lease. All notices shall be effective upon delivery. A party may change its notice address upon written notice to the other party, given as provided herein.

## **ENTIRE AGREEMENT**

23. This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing signed by all the parties hereto.

## **MEMORANDUM OF LEASE**

24. Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Base Monthly Rent and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same. This Lease is a public document and subject to the North Carolina Public Records Law.

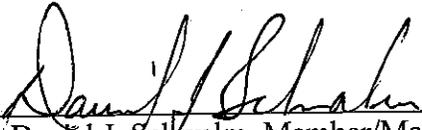
document and subject to the North Carolina Public Records Law.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the date and year first above written.

LANDLORD:

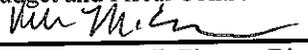
TENANT:

CHATHAM COUNTY

By:   
Daniel J. Schwalm, Member/Manager  
Asarum Ventures, LLC  
Post Office Box 357  
Pittsboro, North Carolina 27312

By:   
Renee F. Paschal, County Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

  
Vicki McConnell, Finance Director